



# **The City of Middletown**

Department of Planning  
Conservation & Development  
and the

U.S. Department of Housing & Urban Development

2020-2021

## **Community Development Block Grants**

# Welcome !

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The Community Development Block Grant (**CDBG**) provides communities with resources to address a wide range of unique community development needs.

Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and states.

# 2020

## CDBG Application Calendar

- **January 20th- Public Notice of Availability of Funds & Applications made available during this week.**
- **February 5th- CDBG Application Process Training, City Hall, Room 208, 10:00 AM.**
- **February 14th- Applications are due at least thirty (30) days prior to the March 18th public hearing for applicant presentations. Deadline is 3:00 PM.**
- **February 19th- Regular Citizens' Advisory Committee Meeting. CDBG applications distributed.**
- **March 18th- Regular Citizens' Advisory Committee Meeting - Public Hearing. Each applicant is allotted five minutes to present and five minutes to answer questions from the committee.**
- **April 15th- Regular Citizens' Advisory Committee Meeting- The Committee discusses and votes on the recommendation for how the upcoming grant year funds should be allocated. The recommendation is forwarded to the Common Council for consideration at the May meeting.**

*Continued...*

# 2020

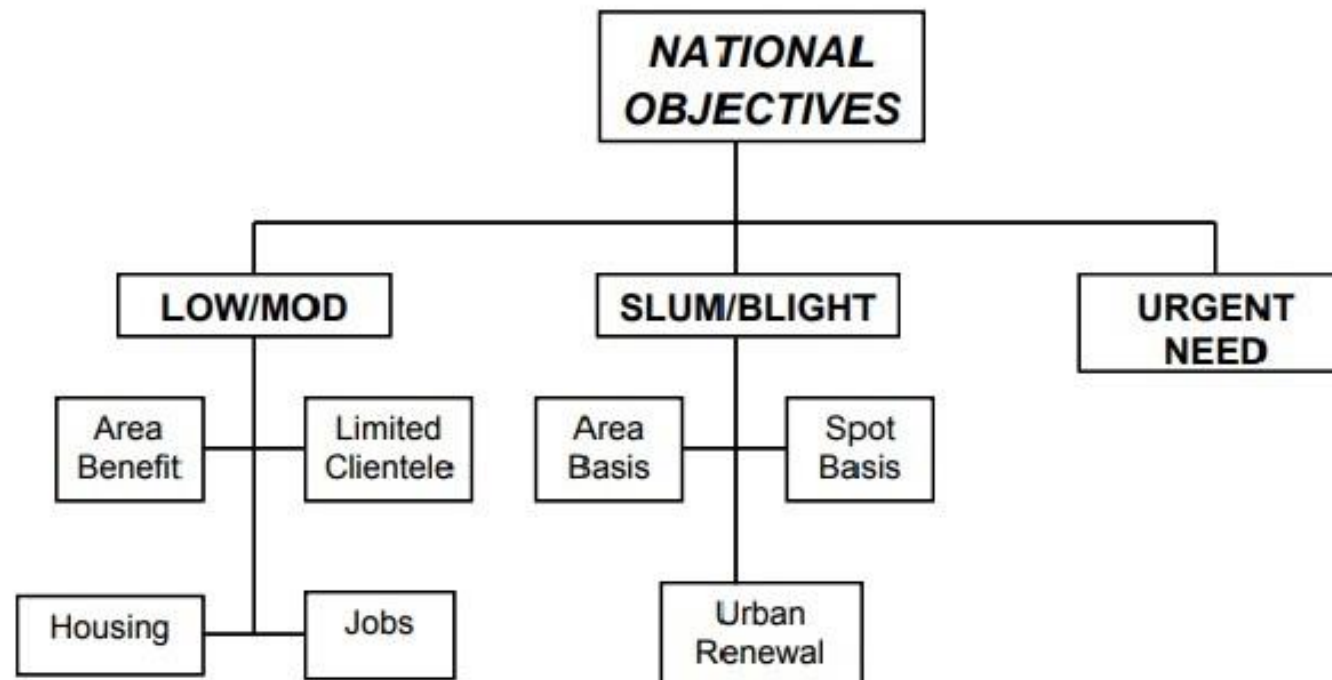
## CDBG Application Calendar

### ...Continued

- **May 4th- Regular Common Council Meeting. CDBG recommendations are presented and discussed with Council members. Approvals of applications and funding amounts are completed.**
- **July- City submits Plan to HUD.**
- **July and August- Environmental Reviews and Contracts are drafted.**
- **August- All Grantees are required to attend a training seminar.**
- **September 1<sup>st</sup>- Applicant may begin projects.**
- **Applicant may begin to request reimbursements in October.**

## Why Applications are **DENIED**

- Missing or incomplete background in providing proposed service, or applicant cannot demonstrate the ability to execute the plan.
- No provision for future funding.
- Problems executing prior awards.
- Excessive request of a limited resource.
- Proposal is not compatible with the Consolidated Plan.



# ***What's Eligible?***

## **1. Rehabilitation & Preservation**

- a. Housing that is occupied at completion by LMI households. If rental property, rents must be affordable.
- b. Low and moderate income public housing.
- c. Building that will be used for a purpose that will benefit all the residents and it is in a qualifying LMI area that is primarily residential.
- d. Publicly or privately owned historic properties.
- e. Commercial or industrial facilities for job creation or retention.
- f. Substandard residential structures are location in a designated slum/blight area.

# ***What's Eligible?***

## **Residential Rehabilitation & Preservation Activities:**

- Non-luxury improvements
- Integral structural fixture purchases such as a stove or refrigerator
- Lead based paint removal
- Security devices and smoke alarms
- Energy improvements
- Removal of architectural barriers
- Refinance costs
- Initial cost of homeowner's title & hazard insurance

# ***What's Eligible?***

## **2. Public services (15 % cap of the City's total CDBG entitlement)**

### Examples:

- Job Training Services
- Crime Prevention & Public Safety
- Health Services
- Energy Conservation Counseling & Testing
- Services for Senior Citizens
- Services for Homeless Persons
- Education Programs

# ***What's Eligible?***

## **3. Public Facilities and Public Improvements**

CDBG funds may be used by the grantee, or other private or public non-profit organizations, to develop, improve, or install a public facility.

HUD defines public facilities and public improvements as all improvements and facilities that are either publicly owned or owned by a nonprofit and operated to serve the public.

Non-permanent shelters for persons having special needs are eligible. These would include:

- Non-permanent shelters for runaway children, drug offenders or paroles
- Nursing homes and convalescent homes
- Shelters for victims of domestic violence or disasters
- Group homes for persons with developmental disabilities

If a non-profit organization owns the facility, it must be open to the public during normal business hours.

If a membership or user fee is charged to use the facility, it must be reasonable and not prohibitive to low-to-moderate income people.

# ***What's Eligible?***

## **Examples:**

- Rehabilitation of a home for use as a half-way house.
- Parking lot and landscaping improvements at a rental facility with 51% LMI households paying affordable rents.
- An improvement that promotes economic development in which a business agrees to hire, retain and/or serve low and moderate income persons.
- Rehabilitation to remove barriers to accommodate persons with disabilities.
- Energy improvements.

# ***What's Eligible?***

- **4. Special Economic Development Activities:**

- Assistance to a business which provides goods or services to residents of a low-to-moderate income residential area.
- CDBG Funds used to assist a project which will create and retain jobs, at least 51% of which will be held by low-to-moderate income individuals.
- Assistance to businesses to move into a designated blight area.
- Job training and employment support limited to the percentage of low to moderate income individuals hired.

# ***What's Eligible?***

- **Special Economic Development Activities by a CBDO:**

**Community-Based Development Organization (CBDO):**

- Organized under State or Local Law to carry out community development activities.
- Maintain at least 51% of its governing body's membership to be made up of any combination of the following:
  - Low-and-moderate-income residents of its area operation
  - Owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or
  - Representatives of low-and-moderate-income neighborhood organizations located in its geographic area of operation.
- Require that members of the governing body be nominated and approved by the organization's general membership or by its permanent governing body.
- Have as its primary purpose the improvement of the physical, economic, or social environment of its geographic area of operation, with particular emphasis on the needs of low-and-moderate-income persons.
- Be either nonprofit or for-profit, but, if for-profit, only incidental monetary benefits to its members allowed.
- Not an agency or instrumentality of the grantee, and not permit more than one-third of its governing body to be appointed by or consist of elected or public officials or employees of the grantee.
- Not subject to reversion of assets to the grantee upon dissolution.
- Be free to contract for goods and services from vendors of its own choosing.

# ***What's Eligible?***

- **CBDO Eligible Activities:**
- **Neighborhood Revitalization** – Activities that will have an impact on the decline of a designated geographic location. Activities must be sufficient in size and scope.
- **Community Economic Development** – Activities that increase economic opportunity for low-and-moderate income persons, or that are expected to create or retain businesses or permanent jobs within the community. These can include job training, job placement and other employment support programs.
- **Energy Conservation** – Activities carried out designed to conserve energy for the benefit of residents.

## *What's **NOT** Eligible?*

1. Buildings for the general conduct of government. This includes operating and maintenance expenses.
2. Political or religious activities.
3. Construction Equipment
4. Food not related to a direct service delivery to clients.
5. Furnishings that are not integral structural fixtures such as a window air conditioner or a washing machine.
6. New housing construction.
7. Income payments made to individuals, or a family, such as housing allowances, food or clothing.

# REPORTING

## *Required*... Quarterly Reports

- Applicant must disclose the amount of CDBG and any leveraged funds that are spent.
- - Accomplishments- Report the number of people or households that have benefited.
- - Reports are due quarterly
- - Unduplicated count
- - Must include income and race data which must match

# MONITORING VISITS/FINDINGS

- If a problem becomes apparent
- Frequent findings
- Lack of documentation
- Contractor is not familiar with requirements
- Grantee did not check to see if the contractor is debarred
- Trouble with Davis Bacon rules and reporting accomplishments



# DAVIS BACON ACT



- *Davis-Bacon applies to your project IF...*
- ...you are seeking to procure construction services, and **the construction project EXCEEDS \$2,000**, you will have to apply the Davis-Bacon Act to your project.

**The Davis-Bacon and Related Acts**, applies to contractors and subcontractors performing on federally funded, or assisted contracts, in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Under the Davis-Bacon Act and Related Act, contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The Davis-Bacon Act prevailing wage provision applies to the “Related Acts,” under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

## DAVIS BACON PREVAILING WAGES

The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the US Department of Labor) to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

### **Step 1- Prevailing Wage Verification:**

If you are awarded a Community Development Block Grant, **and before you begin construction work**, you will need to verify that the Contractor has used prevailing wages in their quote/bid. Prevailing wages can be found at this website:

<https://beta.sam.gov/search?index=wd&keywords=&sort=-modifiedDate&wdType=dbra&page=1>

## DAVIS BACON PREVAILING WAGES

Click to radio button next to Davis Bacon Act (DBA)

Use the drop down box to find Connecticut

Use the drop down box to select Middlesex County

Make sure the status box is checked to indicate active wage rates

The are four wage decisions:

Building

Heavy

Highway

Residential

The search results will show the Wage Determination (WD) that is in effect for your project.

Scroll down to find the particular classification(s) for you project, example

**Davis-Bacon Act WD # CT20200022**

**Construction**

**Building**

**Last Revised Date**

**Jan 24, 2020**

**State Connecticut**

**Counties Middlesex**

	<u>Rate</u>	<u>Fringes</u>
BRICK POINTER/CAULKER/CLEANER BRCT0001-005 01/06/2020 Rates	\$34.72	\$32.55
CEMENT MASON/CONCRETE FINISHER CARP0326-024 05/06/2019	\$35.71	\$33.31
FLOOR LAYER: Carpet Only CARP0326-025 05/06/2019	\$33.53	\$25.66

## **DAVIS BACON PREVAILING WAGES (continued)**

**If** you can't find the work classification, then you will need to request a classification wage rate. This process is usually very simple and you'll want to start it right away. This request should be made in writing to your contract administrator, who will contact the HUD Labor Relations field staff.

If you are going to request a classification wage rate, please insure that:

- The requested classification is used by the construction contractors on the project.
- Insure that the requested classification is not performed by another classification that already has an existing wage determination rate.
- The contractor performing the work must agree with the proposed wage rate.

## **DAVIS BACON PREVAILING WAGE**

Keep a copy of your verified the Wage Decision in your file and verify that your bid/quote includes these wages. You will also need to check the prevailing wage rate forms when the work is completed to insure that the correct wage rates were used.

## **DAVIS BACON PREVAILING WAGE**

### **Step 2- Posting the Wage Decision:**

The prime contractor is responsible for posting the wage decision (or the Project Wage Rate Sheet) and a copy of a Department of Labor poster called Notice to Employees (Form WH-1321) at the job site in a place that is easily accessible to all of the construction workers employed at the project and where the wage decision and poster won't be destroyed by wind or rain, etc. The Notice to Employee poster is available on-line at HUDClips ([www.hudclips.org/sub\\_nonhud/html/forms.htm](http://www.hudclips.org/sub_nonhud/html/forms.htm)) and can also be obtained in Spanish text through the contract administrator.

## **DAVIS BACON PREVAILING WAGE**

### **Step 3- Certified Payroll Reports:**

You will need to submit a weekly certified payroll report beginning with the first week that the company works on the project and for every week afterward until the project is completed. It is always a good idea to number the payroll reports beginning with #1 and clearly mark your last payroll for the project “Final.”

Department of Labor form WH-347 (a sample is in Section 4) is the form that you need to use for Payroll Reports. The reverse side of the payroll report contains the certification language.

**“No Work”** payrolls may be submitted whenever there is a temporary break in your work on the project. If work will not be taking place for an extended period of time, then a short letter can be sent stating when work will halt and when work will begin again. Therefore, no “No Work” payrolls will need to be submitted during this period. The prime contractor is responsible for the full compliance of all reports and the prime contractor is responsible for subcontractors on the contract and will be held responsible for any wage restitution that may be found due.

All payroll reports and any basic records such as time cards, tax records, evidence or fringe benefits payments must be retained for at least 3 years after the project is completed. These records must be made available for review to any authorized representative of HUD or the Department of Labor.

## **Useful Resources:**

**<https://www.hudexchange.info>**

**Search CDBG Matrix Codes**

**<https://cityofmiddletown.com>**

**Government**

**Planning, Conservation & Development**

**Divisions**

**Community Development**

**We are here to help you succeed  
with your CDBG grant experience.**

**END OF PRESENTATION**